GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:1339
ANSWERED ON:02.05.2016
Shortage/Black Marketing of LPG
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether shortage of LPG has been reported from most of the States and if so, the details thereof and the reasons therefor along with number of LPG consumers in the country, State/UT-wise;
(b) the number of cases of black marketing of LPG reported during each of the last three years and the action taken/ flash raids conducted at LPG godowns/ agencies to curb this malpractice in the country along with number of such cases identified where prior information of raids was reportedly leaked by Oil Marketing Companies (OMCs) during the said period and action taken by the Government in this regard, State/UT/OMC-wise;
(c) whether most of the rural households are deprived of LPG because of lack of information about the process of getting a connection and their inability to pay for a
connection and if so, the details thereof along with the steps taken by the Government to focus cash flow, awareness, availability and administration;
(d) the details of target set and achievement made including guidelines/ criteria to be followed for new LPG connections to the people belonging to BPL categories under new scheme/Pradhan Mantri Ujjwala Yojana (PMUY) in the country, State/UT-wise;
(e) the details of free of cost and on EMI basis LPG connections provided to BPL women under new scheme/ PMUY including number of complaints received for not providing LPG connections by some dealers and action taken by the Government against them, State/UT-wise; and
(f) whether Direct Benefits Transfer of LPG subsidy programme has created additional barriers for economically weaker households and if so, the details thereof and the steps taken/being taken in this regard?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DHARMENDRA PRADHAN)
(a) Public Sector Oil Marketing Companies (OMCs) have reported that there is no shortage of LPG in the country.
However, delay in refill supplies may occur in the event of a backlog due to non-availability of filled LPG cylinders with the distributors for unavoidable reasons such as road breaches, floods, strikes, incidents of bandhs, shortage of bulk LPG, non-availability of trucks, etc. and in such situations bottling plants work on extended hours as well as on holidays to clear the backlog. OMCs have also reported that they are regularly monitoring all the distributorships and any additional supplies required by the distributors, to meet the demand, is released accordingly so as to ensure that all consumers including rural consumers get timely refill supplies.
State/UT-wise details of LPG consumers is at Annexure-I.
(b) State/UT-wise details of established cases of irregularities including black marketing during the period of last three years(2012-13, 2013-14, 2014-15) and for the period from April, 15 to Jan, 16 are at Annexure-II.
OMCs have informed that there are provisions of Marketing Discipline Guidelines(MDG)/ distributorship agreement for taking action against the erring LPG distributorships, if they notice any established cases of irregularities committed by them. The number of inspections carried out during three years and current year (April 15-Jan 16) State/UT-wise, OMCs-wise is at Annexure-III.
(c) to (e) OMCs have reported that their distributors are under instructions to release new connections on demand. Notices/banners have been put at showrooms of distributors to increase awareness on availability of LPG connections
Further, the Government has recently launched "Pradhan Mantri Ujjwala Yojana" for providing deposit free LPG connections to 5 crore women belonging to the Below Poverty Line (BPL) families over a period of 3 years starting from FY 2016-17. Eligible families will be identified through the Socio-Economic Caste Census 2011 data. Priority will be given to those States where LPG coverage is lower than the national coverage.
The Government will bear an expenditure upto Rs. 1600/- for a new connection. The customer will have to bear the cost of Hot Plate and purchase of first refill. This, in turn, will be financed at zero interest cost by the OMCs and recoverable through EMIs.
(f) DBTL has not created any additional barriers for economically weaker households. With the implementation of the Jan Dhan Yojana Scheme, opening of bank accounts has become easier thus making direct transfer of subsidy to the intended customer easier.